

City of Detroit
WATER AND SEWERAGE DEPARTMENT
INTRA-DEPARTMENTAL MEMO

FROM: DWS-844A Evaluation Team **DATE:** April 14, 2004
(b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

THRU: (b)(6), (b)(7)(C)

TO: (b)(6), (b)(7)(C) Deputy Director **COPY:** (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) Director

RE: Evaluation Committee Negotiations Recommendations
DWSD Contract No. DWS-844A (Security Systems Upgrade for Various
Booster Pumping Stations)

This memorandum presents the recommendation of the Evaluation Committee for the above-referenced contract to commence negotiations with only the highest ranked proposer, namely, Motor City Electric Company (MCE). The Evaluation Committee also recommends forgoing negotiations with the second-ranking proposer, namely, the DFT Security Team (DFT), unless DWSD determines that an agreement with MCE regarding this contract could not be reached.

Subsequent to three cost proposal clarification rounds with each of the two highest-ranked proposers (i.e., DFT and MCE), and as demonstrated by the attached "cost comparison summary" tabulation, the Evaluation Committee's recommendation is based on the determination that:

- (a) MCE's design costs are substantially lower than DFT's, partly due to the fact that MCE's proposal included a more defined and developed design than that presented by DFT;
- (b) MCE's training costs are lower and more commensurate with the level of effort required in the Request For Proposals (RFP); and
- (c) MCE's construction costs, mobilization and demobilization costs, as well as the "general conditions" costs are significantly lower than DFT's.

The Evaluation Committee also recommends negotiation of additions and deletions that are estimated to potentially result in a credit amount of approximately \$ 2.4m from MCE versus an estimated credit amount of approximately \$ 1.27m from DFT, based on the scope and prices of the respective proposers.

Given that the respective proposed costs by DFT and MCE for this contract are approximately \$ 20.73m and \$ 16.31m, the gap between DFT's and MCE's proposed costs for this contract may further widen in the event DWSD is successful in negotiating the full amount of its estimated credits. A separate tabulation for each of the two proposers is attached to this memorandum, outlining the anticipated additions and deletions, and providing respective cost estimates.

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It is noted that although the Evaluation Committee did identify some deficiencies in MCE's proposal, the Evaluation Committee remains confident that MCE's proposal is a better value to DWSD than DFT's, and that the identified deficiencies can be rectified during negotiations and possibly without increasing MCE's proposed price.

If you concur with the Evaluation Committee's recommendation, please indicate below.

☐ I Concur

☒ I Do Not Concur

(b)(6), (b)(7)(C)
(b)(7)
(C)

Contracts & Grants Manager

This recommendation wasn't what the Board intend. This goes against the spirit of the process that was approved by the Board. DWSD should negotiate with both companies until DWSD reach an agree with one that gives the DWSD the most for its dollar eliminating any future change orders.

☐ I Concur

☒ I Do Not Concur

(b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

P.E.
Deputy Director

Concur w/ (b)(6), (b)(7)(C)

*recommendation
8/4/19/04*

☐ Approved

☒ Not Approved

(b)(6), (b)(7)(C)

Director

Concur with

(b)(6), (b)(7)(C)

(b)(6), (b)(7)(C)

Proposed Additions/ Credits to the MCE Bid**Net Change to Contract****(\$2,395,466)****1. Net Change**

Additions to Contract	Type of Change (See Notes)	Cost
1. Farmington- 1 camera apparently missed for top of Reservoir	Deficiency	0
2. Ford Road- 3 or 4 cameras apparently missed	Deficiency	0
3. Inlay- 3 cameras apparently missed	Deficiency	0
4. Joy Road- 2 cameras apparently missed	Deficiency	0
5. North Service Center- 4 cameras apparently missed	Deficiency	0
6. Northwest- Missed camera coverage of hatch at south-east of reservoir	Deficiency	0
7. Schoolcraft- 2 cameras apparently missed	Deficiency	0
8. West Chicago- 2 cameras apparently missed	Deficiency	0
9. Wick Road- 2 or 3 cameras apparently missed	Deficiency	0
10. Modify entrance to Administration Parking Lot at CSF	Addition	75,000
11. Replace double doors at Bluhill Sewage Pumping Station	Addition	10,000
12. Orion and Clintondale- use masonry to block in lightly covered openings.	Addition	2,000
13. Joy Road- tie in new DWS-817 fire alarm system to security system	Addition	3,000
14. Orion- put card reader on one of the double doors on the south side	Change	2,000
15. Fairview- possibly put card reader on front double door	Change	2,000
16. North Service Center- locate camera poles on east side of reservoirs	Change	30,000
17. Schoolcraft- coordination with DWS-853 work	Change	10,000
18. Joy Road- coordinate with DWS-817	Change	20,000
19. Franklin- coordinate infrared sensors with DWS-837A generators	Change	30,000
20. Provide hinged security ladder guards in lieu of "lifting type"	Addition	2,000
21. Michigan Reservoir- difficulty of underground installation due to wet soil	Change	3,000
22. Eastside- difficulty of underground installation due to wet soil	Change	3,000
23. West Service Center- custom perimeter security due to site interferences	Change	10,000
24. West Service Center- bring out secured fence to encompass valve pit	Change	10,000
Total		\$212,000

Notes:

Deficiency- Deficiency in the MCE design. Deficient cameras will be negotiated for \$0 cost.

Addition- Additions needed by DWSD

Change- Per further design and evaluation of this project, Consultants and DWSD Engineering have identified potential change orders.

Credits to Contract**Cost**

1. Utilinet Radio Backup System See Note 1	(2,323,227)
2. Delete shared T-1 option since replaced by the OPT-E-MAN system	(87,239)
3. Reuse existing fabric for temporary fences.	(10,000)
4. Use other maintenance tracking system than EMPAC	(25,000)
5. Delete security at Belle Isle Sewage due to PC-753 CSO Basin Contract	(150,000)
Michigan Ave- delete cameras for No.1 Reservoir planned for demolition	(12,000)
Total	(\$2,607,466)

Note 1. The Utilinet system is recommended to be deleted due to its higher than expected cost and technical problems

Proposed Additions/ Credits to the DFT Bid**Net Change to Contract****(\$1,273,500)**

Net Change

Additions to Contract	Type of Change (See Notes)	Cost
1. Farmington- 1 camera apparently missed for top of Reservoir	Deficiency	0
2. Adams Road- 1 camera apparently missed	Deficiency	0
3. Eastside- closer camera coverage of the southwest corner is req'd	Deficiency	0
4. Haggerty Road -2 cameras apparently missed	Deficiency	0
5. Imlay- 1 camera apparently missed	Deficiency	0
6. Michigan Reservoir- 2 cameras apparently missed	Deficiency	0
7. Schoolcraft- 2 cameras apparently missed	Deficiency	0
8. West Chicago- 2 cameras apparently missed	Deficiency	0
9. Wick Road- 2 or 3 cameras apparently missed	Deficiency	0
10. Modify entrance to Administration Parking Lot at CSF	Addition	75,000
11. Replace double doors at Bluhill Sewage Pumping Station	Addition	10,000
12. Orion and Clintondale- use masonry to block in lightly covered openings	Addition	2,000
13. Joy Road- tie in new DWS-817 fire alarm system to security system	Addition	3,000
14. Fairview- possibly put card reader on front double door	Change	2,000
15. North Service Center- locate camera poles on east side of reservoirs	Change	30,000
16. Schoolcraft- Coordination with DWS-853 work	Change	10,000
17. Provide hinged security ladder guards in lieu of "lifting type"	Addition	2,000
Michigan Reservoir- difficulty of underground installation due to wet soil	Change	3,000
Eastside- difficulty of underground installation due to wet soil	Change	3,000
20. West Service Center- custom perimeter security due to site interferences	Change	10,000
21. West Service Center- bring out secured fence to encompass valve pit	Change	10,000
	Total	\$160,000

Notes:

Deficiency- Deficiency in the DFT design, however their bid did include a contingency of 10 extra cameras. The remainder deficient cameras will be negotiated for \$0 cost.

Addition- Additions needed by DWSD

Change- Per further design and evaluation of this project, Consultants and DWSD Engineering have identified potential change orders.

Credits to Contract**Cost**

1. Utilinet Radio Backup System See Note 1	(1,117,500)
2. Delete shared T-1 option since replaced by the OPT-E-MAN system	(119,000)
3. Reuse existing fabric for temporary fences.	(10,000)
4. Use other maintenance tracking system than EMPAC	(25,000)
5. Delete security at Belle Isle Sewage due to PC-753 CSO Basin Contract	(150,000)
6. Michigan Ave- delete cameras for No 1 Reservoir planned for demolition	(12,000)
Total	(\$1,433,500)

Note 1. The Utilinet system is recommended to be deleted due to its higher than expected cost and technical problems.